

No. 88

5th Session, 14th Legislature, Alberta
11 Elizabeth II

BILL 88

A Bill to amend The Credit and Loan Agreements Act

HON. MR. HINMAN

Explanatory Note

2. (a) A definition is added for the purposes of the subsection (3) being added to section 4. See clause 4 of this Bill.

(b) Section 2, clause (f) presently reads:

“(f) “time sale” means a sale or an agreement to sell whereby the purchase price and charges in addition to the purchase price, if any, are to be paid within a fixed period by three or more payments any one of which does not equal the full amount first owing by the buyer on the sale or the agreement to sell;”.

3. Section 3 presently reads:

“3. This Act does not apply

(a) to sales made

(i) by a manufacturer or distributor to a wholesaler, or

(ii) by a distributor or wholesaler to a retailer,

or

(b) to a sale for an amount less than one hundred dollars.”.

4. (1) (a) and (b) Errors in cross-reference are corrected.

BILL

No. 88 of 1963

An Act to amend The Credit and Loan Agreements Act

(Assented to _____, 1963)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. *The Credit and Loan Agreements Act*, being chapter 66 of the Revised Statutes, is hereby amended.

2. Section 2 is amended

(a) by adding the following clause after clause (b) :

(b1) "continuous deferred payment plan" means an agreement under which purchases on credit can be made from time to time by a buyer, with the charges in addition to the purchase price, if any, being computed from time to time in relation to the unpaid balance on all the purchases;

(b) as to clause (f) by striking out the words "within a fixed period".

3. Section 3 is struck out and the following section is substituted:

3. This Act does not apply to

(a) a sale for an amount less than fifty dollars, or

(b) a sale made

(i) by a manufacturer to a wholesaler, or

(ii) by a manufacturer, distributor or wholesaler to a retailer,

or

(c) a sale of fixtures, furnishings or equipment for a commercial property or a sale under a contract for the construction, renovation, repair or decoration of commercial property.

4. (1) Section 4, subsection (1) is amended

(a) as to clause (b) by striking out the letters and word "(d) to (h)" and by substituting the letters and word "(d) to (g)",

(c) The seller of goods under a time payment sale is required to express the cost of buying on time as simple interest.

(d) Section 4, subsection (1), clause (j) presently reads:

"4. (1) A time sale agreement shall set out in writing, in printing not smaller than ten point print, and arranged in accordance with Form A in the Schedule or in a form to the like effect

.....

(j) the total additional charge, if any, other than court costs, to be paid by the buyer in the event of default, expressed as a money charge or as a rate per centum per annum on the balance from time to time owing by the buyer."

(2) A new subsection is added setting out the information to be given to a buyer under charge accounts where the cost of buying on time is related to the outstanding balance rather than the cost of each item bought.

5. If the Act is not complied with the seller is not entitled to recover the finance and other charges, as well as being liable to a fine under section 5.

6. The Lieutenant Governor in Council is authorized to establish method of calculating the "interest rate".

- (b) as to clause (i) by striking out the letters and word “(d) and (h)” and by substituting the letters and word “(d) to (g)”,
- (c) by striking out the word “and” at the end of clause (i) and by adding the following clause immediately after clause (i) :
 - (i1) the total cost to the buyer above the regular cash selling price expressed as the equivalent of simple interest (to the nearest whole number) on the declining balances from time to time outstanding, and
- (d) as to clause (j) by striking out the words “as a money charge or”.

(2) Section 4 is further amended by adding the following subsection after subsection (2) :

(3) Where goods are purchased under a continuous deferred payment plan, the seller shall be deemed to have complied with the requirements of this Act if the terms of the plan are in writing and if the plan and the periodic statements and the other documents supplied by the seller to the buyer, or any one or more of them, clearly set out

- (a) the particulars mentioned in clauses (a) and (b) of subsection (1),
- (b) where applicable, the particulars mentioned in clauses (c), (d), (e), (f) and (j) of subsection (1),
- (c) the total balance owing to the seller by the buyer as of the date of each statement supplied by the seller and the amount of the next instalment payable under the plan and the date by which it is required to be paid, and
- (d) the charge, if any, to the buyer by the seller for the privilege of buying under a continuous deferred payment plan and the actual amount in respect of which such charge is applied.

5. The following section is added after section 4 :

4a. A time sale is not rendered void or unenforceable by reason only of a failure to comply with this Act, but in such a case

- (a) the buyer is not obligated to pay, and
- (b) the seller, or his assigns, has no right to recover, any amount in excess of the regular cash selling price of the goods sold on the time sale.

6. The following section is added after section 5 :

5a. The Lieutenant Governor in Council may prescribe or approve formulas or tables to be used by sellers in determining the percentage figure required to be given on a time sale pursuant to clause (i1) of subsection (1) of section 4.

7. Section 7, clauses (d) and (g) presently read:

“7. A loan agreement shall, in writing or in printing not smaller than ten point print, set out

.....

- (d) the whole cost of the loan to the borrower expressed either
 - (i) as a money charge, or
 - (ii) as a rate per centum per annum on the amount actually advanced to the borrower and declining balances thereof from time to time outstanding.

.....

- (g) the total additional charge, if any, other than court costs, to be paid by the borrower in the event of default expressed as a money charge or as a rate per centum per annum on the balance from time to time owing by the borrower.”.

8. Form A in the Schedule is amended to correspond to the new clause being added to section 4 (1) of the Act.

9. Commencement of Act.

7. Section 7 is amended

- (a) by striking out clause (d) and by substituting the following:
 - (d) the whole cost of the loan to the borrower expressed as a rate per centum per annum on the amount actually advanced to the borrower and declining balances thereof from time to time outstanding,
- (b) as to clause (g) by striking out the words "as a money charge or".

8. Form A in the Schedule is amended by adding the following immediately after item i:

- i1 The extra cost of buying on time is equal to%
simple interest on the unpaid balance of \$.....

9. (1) This Act, except clauses (c) and (d) of subsection (1) of section 4 and sections 6, 7 and 8, comes into force on the day upon which it is assented to.

(2) Clauses (c) and (d) of subsection (1) of section 4 and sections 6, 7 and 8 come into force on a date to be fixed by Proclamation.

No. 88

FIFTH SESSION

FOURTEENTH LEGISLATURE

11 ELIZABETH II

1963

BILL

An Act to amend The Credit and
Loan Agreements Act

Received and read the

First time

Second time

Third time

HON. MR. HINMAN